

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-1(b)	
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In re: BLOCKFI INC., <i>et al.</i> , Debtors. ¹	Chapter 11 Case No. 22-19361 (MBK) (Jointly Administered under a Confirmed Plan ²)

**WIND-DOWN DEBTORS' OMNIBUS REPLY TO RESOLVED
RESPONSES TO AMENDED ELEVENTH OMNIBUS OBJECTION TO
CERTAIN CLAIMS**

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965) and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 100 Horizon Center Blvd., 1st and 2nd Floors, Hamilton, NJ 08691.

² On October 3, 2023, the Court entered an order confirming the Third Amended Joint Chapter 11 Plan of BlockFi Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (Additional Technical Modifications) (the "Plan") [Docket No. 1609].

TO: THE HONORABLE CHIEF JUDGE MICHAEL B. KAPLAN UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY

BlockFi Inc. and its debtor affiliates (collectively, “BlockFi” or the “Wind-Down Debtors”), as managed by the Plan Administrator in the above-referenced Chapter 11 cases (the “Chapter 11 Cases”), hereby file this *Wind-Down Debtors’ Omnibus Reply to Resolved Responses to Debtors’ Amended Eleventh Omnibus Objection to Certain Claims* (the “Reply”) to apprise the Court of the resolution of the responses of certain creditors (the “Responses”) filed in connection with the *Debtors’ Amended Eleventh Omnibus Objection To Certain Claims* (the “Claim Objection”) [Docket No. 1450]. In support of the Reply, the Wind-Down Debtors respectfully represent as follows:

Factual Background

1. On September 4, 2023, the Debtors filed the *Eleventh Omnibus Objection to Certain Claims* [Docket No. 1442]. On September 6, 2023, the Debtors filed the *Amended Eleventh Omnibus Objection to Certain Claims* [Docket No. 1450]. The revisions made to the amended objection did not affect or involve any of the below claims.

2. On October 3, 2023, the following Responses were filed as to the Claim Objection:

- Response of Certain Individual Creditors to Debtors’ Eleventh Omnibus Objection dated September 4, 2023 [Docket No. 1647] concerning Claim Nos. 9499, 12863, and 25824 (“Response 1”);
- Matthew Gordon’s Response to the Debtors’ Amended Eleventh Omnibus Objection to Certain Claims [Docket. No. 1648]; concerning Claim Nos. 15784, 26889, and 25045 (“Response 2”); and
- Objection of Katzenell to Debtors’ Eleventh Omnibus Objection Dated September 4, 2023 [Docket No. 1650] concerning Claim No. 15880 (“Response 3”).

3. Responses 1 and 2 indicated that the creditors agreed with the Wind-Down Debtors’ expungement or modification of their claims as indicated on the Claim Objection. Response 3

indicated that counsel had just been retained and had filed the Response out of an abundance of caution to allow the parties time to exchange documents and resolve any issues.

4. Upon receiving the filed Responses, counsel for the Wind-Down Debtors contacted counsel for the creditors associated with Responses 1 and 2 to confirm their agreement with the proposed expungements and/or modifications and ensure they did not have any remaining questions. Counsel for the creditors associated with Response 1 did not respond, Counsel for the creditor associated with Response 2 confirmed that they understood and did not have any outstanding objections to the proposed treatment of their client's claims.

5. Counsel for the Wind-Down Debtors contacted counsel for the creditor associated with Response 3 and explained that the vast majority of the funds indicated on Claim No. 15880 were located in the creditor's Wallet and therefore were not estate property and could be withdrawn, and that the proposed modification was seeking to amend Claim No. 15880 to reflect the correct amount of funds in the creditor's BlockFi Interest Account. Counsel for the creditor confirmed his understanding and indicated that he would contact the Wind-Down Debtors if there were any remaining issues or questions.

Reply

6. Counsel for all creditors associated with the Responses were notified by email on October 30, 2023 that the Wind-Down Debtors would be filing the instant Reply to apprise the Court that there were no outstanding issues and the proposed modifications and/or expungements would be effectuated by Kroll after the Court entered the revised proposed order on the Claim Objection. As of the date of the filing of this Reply, no response was received from counsel for the creditors associated with Response 1, and counsel for the creditor associated with Response 2 reconfirmed their agreement with the Claim Objection.

7. Counsel for the creditor associated with Response 3 has indicated that he will appear at the hearing if his clients have been unable to initiate the withdrawal of the funds in the claimant's Wallet. To give the Court a brief background on the issue, the original account holder is deceased, and the estate administrator has been working with BlockFi to provide the appropriate paperwork to allow the estate administrator to initiate the withdrawal. Initially a withdrawal was requested by an individual not named as administrator, so out of an abundance of caution the withdrawal was frozen. It is the understanding of counsel for the Wind-Down Debtors that all parties are aware of the issue, and that a withdrawal request by the administrator is forthcoming (and may have already been initiated by the hearing date). It is the Wind-Down Debtors' position that issues with the withdrawal of Wallet assets do not have any bearing on the adjudication of claims against the estate, and therefore the Claim Objection should be granted as to the claim associated with Response 3.

WHEREFORE, the Wind-Down Debtors respectfully request entry of the Revised Proposed Order on the Debtors' Amended Eleventh Omnibus Objection to Certain Claims, to be submitted to the Court after the November 6, 2023 hearing.

Respectfully submitted,

Dated: November 2, 2023

/s/ **Donald W. Clarke**

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